



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

**STATE OF CONNECTICUT  
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION**

Public Hearing – March 20, 2012  
Energy & Technology Committee

Testimony Submitted by Commissioner Daniel Esty  
Presented By Jessie Stratton

**Senate Bill No. 450 AN ACT CONCERNING ENERGY CONSERVATION AND RENEWABLE ENERGY**

Thank you for the opportunity to present testimony regarding Senate Bill No. 450 – An Act Concerning Energy Conservation and Renewable Energy. The Department of Energy and Environmental Protection (DEEP) welcomes the opportunity to offer the following testimony on several sections of this bill.

The Department shares the goal of section 1 of this bill that would fund oil efficiency programs and has been working with the industry to secure such funding. In the immediate term, we have also proposed eliminating the \$500,000 cap on Home Energy Solutions audits through 2012 while permanent funding is secured. We would also note that the Fuel Oil Conservation Board has a separate account that is not within the General Fund and it is this account that will be used to fund the furnace and boiler replacement program authorized in Public Act 11- 1 adopted in the October Jobs Special Session. We would recommend that this account be used for any future monies collected for fuel oil conservation measures.

As for section 3 of the bill, while the Department is supportive of promoting municipal fleet use of natural gas vehicles, the numerous challenges in doing so would make it very difficult to launch a meaningful program three and half months from now. We would respectfully ask that the date be changed to July 1, 2013.

With regards to section 8 of the bill which, among other things, seeks to promote the development of distributed generation and microgrid systems to support critical emergency facilities, the Department would suggest that both private entities as well as the electric utilities be solicited to own and operate the generation portion of these systems. Ideally these entities would compete in responding to any request for proposals to develop the distributed generation, because this healthy competition would help ensure that the state or its municipalities receive the best contract terms. This approach would also eliminate the need for any ratepayer subsidy as the cost of developing the proposal would be included in the contract.

Sections 9 through 11, which deal with tree trimming standards and practices, raise some concerns for the Department and we would be happy to work with the Committee to address these concerns and reconcile the approaches in Senate Bill No. 450, the tree trimming sections of House Bill No.

5544, and Governor Malloy's Two Storm Panel Report. Many concepts brought forth within Senate Bill 450 and House Bill No. 5544 require greater input from municipalities, utilities, licensed arborists, and state agencies in order to develop sound policies for roadside forest stewardship and sustainable management of private and public trees.

In addition, Governor Malloy's Two Storm Panel made a number of specific recommendations on tree trimming, which this Committee should try to incorporate into the raised bill. These recommendations include:

**Recommendation 23:** Establish a State Vegetation Management Task Force (SVMTF) that will develop standards for road side tree care in Connecticut, vegetation management practices and schedules for utility rights of way, right tree/right place standards, licensing standards for tree wardens, municipal tree inventories and pruning schedules. This Task Force should consist of State, municipal, utility and nonprofit environmental organizations. The Commissioner of the DEEP or his/her designee should be its Chairperson.

**Recommendation 24:** DEEP should convene appropriate State agencies, municipalities and utilities for the purpose of creating a 5 year collaborative effort for an enhanced tree maintenance program and the development of an educational effort regarding the use of appropriate and diverse tree species in both public and private spaces.

The Department believes that Governor Malloy's Two-storm panel recent findings and recommendations need additional time for consideration and implementation.

The Department does have significant concerns about the impact of classifying all generation connected to a microgrid as a Class I renewable, as currently proposed in sections 13 and 14 of Senate Bill No. 450. Furthermore, we think that it is a mistake to mandate that 25% of the Class I renewable requirement for January 1, 2012 be met using microgrid related resources. Achieving this ambitious mandate would require a scale of deployment of distributed generation well beyond that envisioned by the Department anytime in the near future. We would also note that a very significant portion of the generation currently being considered would already qualify as Class I resources, while opening it up to any type of generation would cause much uncertainty in the REC market.

The Department is very supportive of section 16 of Senate Bill No. 450, which carves out a very limited separation of some small portion of the electric distribution system from the larger utility distribution system requirements. Allowing the connection of a few electric meters to one generation source when the generation source is owned or operated by one owner seems an appropriately scaled approach that could make certain distributed generation projects far more cost effective.

The Department is currently engaged in productive discussions with the utilities regarding renewable project proposals pursuant to section 127 of Public Act 11-80 (now codified as Section 16-244v in the 2012 supplement to the general statutes). DEEP concurs with section 20 of Senate Bill No. 450, where it adds the Department should determine the cost to ratepayers of such renewable projects. However, authorizing any amount of increased renewable generation development by the utilities, as long as it is less expensive than those approved under section 127

of Public Act 11-80, seems premature. Instead, we would propose that future policy determinations be made after they can be informed by an understanding of the associated ratepayer costs, thereby allowing that policy to be considered in comparison to some other use of ratepayer money.

With regard to section 21 of Senate Bill No. 450, the Department would refer the Committee to our testimony on Senate Bill No. 415. We propose that the Committee amend the language before you in Senate Bill No. 450 to eliminate the \$500,000 one year cap on Home Energy Solution audits for oil heat customers for one year, so that the funding issues related to providing oil conservation measures can be addressed simultaneously with the goals of section 1.

While the Department is very supportive of the goal of section 23 of Senate Bill No. 450 – i.e., to incentivize the use of alternative fueled vehicles – the proposal to allow these vehicles access to HOV lanes is fraught with challenges and expense. For example, the state used federal money to build these lanes and would have to get approval from the federal government to change their use, and any federal approval would almost certainly include expensive enforcement requirements.

The Department is currently evaluating options to promote the purchase and use of electric vehicles and the charging systems necessary to support the desired level of adoption. We would anticipate that the Department's plan would address the provisions in section 27 of Senate Bill No. 450, regarding Level III charging stations.

Lastly, the Department supports the increase in the size of combined heat and power systems proposed in section 28 of Senate Bill No. 450, but we would propose that the level of incentive be capped at three hundred and fifty dollars per kilowatt, rather than raising it to five hundred dollars, so that this incentive conforms with the one offered by CEFIA in accordance with Public Act 11-80.

Thank you for the opportunity to present testimony on Senate Bill No. 450. If you should require any additional information, please contact DEEP's legislative liaison, Robert LaFrance at 424-3401 or [Robert.LaFrance@ct.gov](mailto:Robert.LaFrance@ct.gov)

